

Digital banking entrants wary of losing the human connection

By [Bardien Pienaar](#)

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In their drive to be digitally relevant and hold market share, both traditional and digital banks risk losing customers through the resultant reduced human interaction.



In an environment where [consumers don't trust banks](#), human interaction will remain significant to build customer loyalty through changing interactions.

It is a battle for survival in the banking space; as digitally savvy entrants challenge traditional banks. [Traditional banks](#) are closing down their walk-in branches at a rapid pace, in favour of the convenience and cost benefits of digital solutions. It makes business sense and helps them remain competitive. At the same time, digital banks are looking to increase innovation and improve customer experience but should not do that at the expense of less than great human interaction.

Disruptors such as TymeBank, Discovery Bank, Bank Zero and fintechs are threatening the [fee structures](#) and business-as-usual approach of traditional banks. Between them, these new banks promise digital-first experiences backed by market beating fees, lifestyle-based banking and accessibility of service.

Customer needs have changed which places tremendous pressure on traditional banks to innovate and catch up not only with their competition but with the consumer. However, creating greater efficiencies through automation does not detract from people's need to talk to other people, especially where the emotive subject of their money is concerned.

Give customers what they want

A BAI digital banking report entitled, [Humanising the Digital Banking Experience](#), has found that most financial institutions globally are falling short of what the consumer really wants from financial interactions. The report says phone and branch-level customer service still outrank digital solutions in importance at banks and credit unions worldwide.

It is increasingly recognised that how a customer feels about an interaction has the greatest impact on loyalty. Conversations create an emotional connection, which is an important part of how people make decisions.

Going digital should not result in a glitch in the customer experience journey. Beyond digital interfaces, financial institutions should balance automation with the human touch to decrease the gap in emotional engagement – and contact centres do just that. [Sixty percent of great customer experiences](#) are due to great interactions with employees and 20% of customers rely on them to do research, 46% to select products and 63% to resolve their problems, according to the PwC article for *Banking 2020*. In fact, even the digital-first banks are still using contact centres for customer interaction.

Cheslyn Jacobs, head of sales and service at TymeBank agrees. Just like other sectors, the financial services industry is having to evolve with customer needs. We are excited to be part of this evolution with our branchless digital banking model, but are cognisant that the digital experience must be augmented with human interaction through our contact centre – especially in our industry where building trust is so paramount.”

Ultimately, it is not a question of either or, but how every touch point, every channel, every customer interaction contributes to customer delight. It is a collaboration –it is technology that provides us with data to personalise the customer experience, processes that streamline the engagement and the human conversation to contextualise and provide solutions to complex interactions; it should all come together to create the quality that the customer is looking for.

Customers want great products and are willing to pay premium prices for great service experiences - up to 16%, according to PwC. What customers are willing to pay for has shifted downstream from the product itself to the services and information that surround it. While financial institutions innovate and offer competitive products and services, a well thought through and consciously designed contact centre solution ensures the customer experience does not disappoint.

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